

**State of Michigan**  
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**Department of Environmental Quality**



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**Drinking Water Revolving Fund  
Final Intended Use Plan  
Fiscal Year 2007**

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**Prepared by:  
Revolving Loan and Operator Certification Section  
Environmental Science and Services Division  
and Water Bureau  
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DWRF Final Project Priority List (PPL) for FY2007  
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## **I. INTRODUCTION**

Program details of Michigan's Drinking Water Revolving Fund (DWRF) are set forth in Part 54, Safe Drinking Water Assistance, MCL 324.5401-324.5421, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451).

The Michigan Department of Environmental Quality (DEQ), through the Environmental Science and Services Division (ESSD) and the Water Bureau (WB), administers the DWRF. In addition, the Michigan Municipal Bond Authority (Authority) is charged with administering DWRF funds through the Shared Credit Rating Act, 1985 PA 227, as amended (Act 227).

The DWRF provides reduced interest rate loan financing to qualified water suppliers to finance construction of their waterworks system projects. Projects may include new wells, new water treatment plants, storage facilities, upgrades or expansions to existing facilities, transmission lines, pumping facilities, and other related waterworks system improvements. Suppliers must meet federal and state program requirements, as well as demonstrate their ability to publicly finance their project and retire project debt. In addition to the loan provided by DEQ, suppliers also have the option to pay for part of their project with cash and other resources.

The DWRF is a state-managed program. This final Intended Use Plan (IUP) describes how the DEQ and the Authority will jointly administer the DWRF during Fiscal Year (FY) 2007. The Revolving Loan and Operator Certification Section (RLOCS) of the ESSD is charged with carrying out the program administration responsibilities. The WB will assess project priority, issue the necessary construction permits, and offer technical review and assistance throughout project planning, design, and construction. Financial administration of the program will be handled by the staff of the Authority.

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The Environmental Protection Agency (EPA) Region 5 staff will offer guidance and conduct annual program oversight reviews of the DWRF. The EPA serves as a helpful partner in creating and maintaining this program.

The relationship between the DEQ, the Authority, and the EPA is established in an Operating Agreement signed by authorized signatories from each agency. The Operating Agreement is incorporated into this IUP by reference and is available from the DEQ upon request.

This final IUP includes detail on specific project funding and identifies amounts to be set aside from federal capitalization grants for other uses authorized under the federal Safe Drinking Water Act (SDWA) and Part 54 of Act 451. A Public Hearing for the IUP and the Project Priority List (PPL) was held on August 23, 2006.

The DEQ certifies that it is recognized by the EPA as the primacy agency for management of the drinking water program. The priority system was developed and will be carried out each fiscal year by staff of the DEQ. The priority system is designed to provide assistance to those projects that will have the greatest impact in facilitating safe drinking water supplies.

## **II. STRUCTURE OF THE DWRF**

The financing structure of the DWRF is similar to the State Revolving Fund (SRF). For water suppliers who are municipalities with bonding authority, the DWRF will sell tax-exempt revenue bonds to provide money that will be used to reimburse communities for incurred project costs. As the DWRF reimburses suppliers, federal funds from the capitalization grant and the required state match will be transferred into a debt service reserve account to provide coverage for the leveraged bond issue. As the DWRF project construction progresses, project funds will be disbursed to the supplier from the bonds sold.

However, for borrowers who are non-municipal entities, limitations on private activity for tax-exempt issues will require the DEQ and the Authority to fund private water suppliers from funds other than tax-exempt revenue bonds. These loans will be made as direct loans with a letter of credit supplied by the private borrower or through a partnership with a private lending institution with the state providing an insurance annuity. There are no private water suppliers on the FY2007 final PPL.

There is a provision for subordinate investment of funds between the DWRF and the SRF. This concept permits the administrators of the two funds to make temporary investments from one fund or the other in the event that moneys are needed to service debt on the state's tax exempt bond issues, cover deficiencies in a fund's reserve accounts, or satisfy

other reserve account requirements. Only those funds periodically released from debt service reserve accounts, supplemental reserve accounts, revenue accounts, or any other account of the fund, wherein released moneys may be generated, may be used for the purposes of subordinate investment. This provision will not be exercised in FY2007.

At each point that moneys are released, the DEQ and the Authority will undertake a “snapshot” look at both the SRF and the DWRF. For each fund, we will first examine whether we need to service debt or satisfy reserve account requirements within the fund from which the released moneys originated. Next, we will examine the other fund for the same conditions. Then, if sufficient moneys are available to satisfy requirements for each fund, the released money will pass completely through and become available for future commitments to new projects consistent with its source.

Set-asides in the DWRF are derived from the capitalization grant awarded to the state by the EPA. Set-asides are designated for specified uses within the DWRF to address areas of concern included in the reauthorization of the SDWA. Legal provisions included in Act 227, permit the Authority and DEQ to establish accounts and sub-accounts to track revenues and expenditures for the set-asides. The set-asides for program and other activities will be directly administered by the WB. Staff of the WB will also be responsible for the technical assistance activities, except for those funds made available to subsidize loans to disadvantaged communities. The disadvantaged community loans will be managed by the RLOCS.

The following is a list of potential set-asides identified in Section 1452 of the federal SDWA.

**DWRF Administration - 4 percent**

**Technical Assistance - 2 percent**

**Program Set-asides - 10 percent**

- Public Water System Supervision
- Source Water Protection
- Capacity Development
- Operator Certification

**Other Activities - 15 percent, not to exceed 10 percent for any one activity**

- Loans for Source Water Protection
- Assistance for Capacity Development
- Implement Wellhead Protection

It is imperative to note that the Program Set-asides require a one-for-one state match, in addition to the regular 20 percent state match calculated on the entire amount of the federal capitalization grant. Thus, money diverted to these set-asides will demand a heavier investment of state or local funds.

### **III. ADVANTAGES OF THE DWRF**

The primary advantage for Michigan water suppliers will be their ability to borrow funds at interest rates below market. The DWRF interest rate is established prior to each new fiscal year. As identified in Part 54 of Act 451, determination of the interest rates is based on demand, market conditions, program costs, and future needs.

In setting the interest rates for FY2007, the DEQ examined a widely used market index for general obligation municipal bonds to identify current market conditions existing at the time the IUP is prepared. Then, to establish a rate of interest for municipal borrowers, the DEQ considered present and future demand for DWRF assistance and the cost of compliance.

Once the interest rate is determined for municipal borrowers, the resulting interest subsidy to municipalities would be used for private borrowers. If a private borrower chose to obtain a letter of credit and receives a direct DWRF loan from the Authority, the interest rate would be determined by using the U.S. T-bill rate as the base and applying an identical percentage reduction of interest as municipalities receive. For those private borrowers who chose to obtain financing through a financial institution, the interest rate would be the lending institution's rate charges, reduced by an identical percentage reduction as a municipality would receive.

The interest rate for municipal borrowers in FY2007 will be 2.125 percent. Private borrowers would receive an interest rate subsidy that equates to the same subsidy received by municipal borrowers.

Apart from the low interest rate, suppliers also benefit from the DWRF in that they can finance all eligible waterworks system costs. The major benefit results from the fact that water supply financing in the past has always been left to the local units of government or private entities. Historically, there has been no significant state financial assistance available to local officials in meeting water supply needs. The DWRF provides an ongoing source of funding to maintain or improve drinking water quality and public health.

### **IV. LONG-TERM GOALS**

Michigan's DWRF establishes a funding source designed to protect and preserve public health within the state's boundaries. Michigan's geographical identity as a "Great Lakes" state affords its citizens with an abundant and high quality water resource from which to draw its drinking water. Unlike many states, Michigan water supplies are plentiful and periods of restricted use are few in most communities. The great challenge for water suppliers lies in protecting the high quality of the resource, as well as ensuring that adequate volume and pressure exist to deliver potable water to the customer.

Given the limitations on pooled capital, the DEQ will work toward establishing tighter integration of the federal, state, and local partnership. The DEQ continues to examine ways to work together with various federal and state agencies, such as Rural Development and the Michigan Department of Labor and Economic Growth, so that we may collectively fund qualifying projects and maximize use of our capital pool to achieve our stated goals.

Such partnerships will ultimately benefit everyone. Industry, tourism, and day-to-day quality of life are strengthened when our most valuable natural asset is preserved and

made available for our use and enjoyment. To this end, Michigan's DWRF seeks the following:

- A. To maintain statewide compliance with all applicable state and federal drinking water laws, rules, and standards.
- B. To protect the public health and environmental quality of our state.
- C. To maintain source water assessment, wellhead protection, and source water protection programs.
- D. To develop strategies within the DWRF to assist smaller, economically disadvantaged communities in meeting drinking water standards.
- E. To promote the DWRF as a viable tool for use by Michigan water suppliers in financing their waterworks system improvements or upgrades.
- F. To secure Michigan's full share of federal funding and to expeditiously obligate these moneys, along with the state contributions, for the construction of eligible facilities that meet state and federal requirements.
- G. To develop effective partnerships with other federal and state financing sources to promote efficiency in environmental review procedures and coordination of funding.
- H. To apply a capacity assessment program for all new and existing community and nontransient noncommunity water supplies.
- I. To continue operator certification program requirements to assure proper operation and maintenance of public water systems.

## **V. SHORT-TERM GOALS**

In order to accomplish the long-term goals, we must also focus on more immediate objectives. Therefore, our short-term goals in FY2007 are:

- A. To continue our outreach effort to publicize the DWRF through direct mail, electronic media, newsletter publication, and meetings.
- B. To continue implementation plans for source water protection focused on statewide surface water assessments and groundwater assessments in areas tributary to the Great Lakes.
- C. To continue the state's wellhead protection program through the implementation of a matching grant program.
- D. To continue a technical assistance program for small communities.
- E. To fund projects identified on the PPL enabling them to proceed during FY2007 with construction of facilities included in their adopted project plans.
- F.

- G. To continue to invite stakeholder participation in the development of administrative rules for conducting capacity assessments of certain public water supplies.
- H. To ensure that funded projects have reviewed and considered the security needs of the water system.

## VI. ALLOCATION OF FUNDS

With Michigan's decision to utilize a leveraged DWRf bond program, the establishment of a fundable range for any given fiscal year entails a series of steps that culminate in a determination of how much leveraged borrowing fund resources can support. Using a series of interest rate assumptions (DWRf loan rate, return on investment rates, and revenue bond rate) this process for FY2007 is outlined below:

1. The DEQ reviewed the total amount of loans committed through September 30, 2006, and other draw amounts that affect the DWRf.

Total loan commitments through 9/30/06	\$417,935,000
Less reduction in loans for admin. complete projects	(\$ 4,892,395)
Less direct loan draws to date	(\$ 6,667,723)
Less total revenue bonds issued to date	<u>(\$400,435,000)</u>
<b>Additional revenue bond amount needed to service existing loan commitments</b>	<b>\$ 5,939,882</b>

2. To establish an estimate of reserve fund capabilities, the DEQ assumed that the new federal capitalization grant and the required state match would remain constant for the next five years (for planning purposes only). The current national budget estimated amount for the DWRf in FY2007 is \$850 million.
3. The DEQ then looked at how much the DWRf could support in leveraged bond sales using a five-year forecast at varying capitalization levels and interest rates. These analyses indicate that at FY2006 interest rates, the DEQ can annually leverage \$106 million (assuming the capitalization grant estimated amount for FY 2007 remains constant).

After subtracting the amount needed to service existing loans, fund resources could support \$105 million in new binding loan commitments for FY2007. The total amount of projects seeking DWRf loans in FY2007 is estimated at \$76 million (amount taken from the PPL).

Each state may transfer 33 percent of available funds between the SRF and the DWRf programs. This may occur starting one year after a state receives its first capitalization grant for project funds. At this time, Michigan does not propose to directly transfer funds between the SRF and DWRf programs.

## VII. DWRf PROGRAM ASSETS

The DEQ and the Authority review the benefits of refunding previous bond issues each time a bond sale is anticipated. In July 2005, the DWRf Program sold a bond issue for program use. There was no refunding on previous bond issues for the DWRf program.



The following chart provides the DWRF program assets prior to the start of FY 2007. Funds drawn from leveraged bond issues will be used to pay program expenses and make loans to communities. Reserve account balances will be retained to use for future leveraging.

Capitalization Grant Amount*	\$ 31,431,118
State Match Amount*	\$ 7,970,728
Direct Loan Repayment Balance (as of 9/25/06)	\$ 819,226
Released Account Balance (as of 9/25/06)	\$ 111,819,903
2005 Leveraged Bond Issue Balance	\$ 50,986,754
DWRF Administration Amount (Estimated for FY2007)	\$ 1,000,000

\* Includes FY2004 and FY2005 funds pledged to the series 2005 bonds.

## **VIII. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS - SET-ASIDES**

The DEQ has established the set-aside percentages based on what it can utilize within the fiscal year. The split of moneys is structured to meet not only expected needs (e.g., four percent for administration), but also to target programs that can help suppliers prepare themselves to qualify for DWRF loans (e.g., technical assistance funds used to defray planning costs).

### **Administration**

Up to four percent of the federal capitalization grant can be used to administer the fund. Michigan intends to utilize the full four percent, which for FY2007 is estimated at \$1,138,676. Any funds not utilized in FY2007 will be retained on account for administration costs in future years.

### **Technical Assistance**

The Technical Assistance set-aside program for FY2007 is expected to be \$569,000. The DEQ has developed two contracts to deliver technical assistance to public water suppliers serving a population of less than 10,000. These two year contracts began October 1, 2005, and run through the end of FY2006.

The first contract provides technical assistance to assess and reduce critical contaminants in small public water systems statewide. This includes on-site visits to systems with elevated arsenic levels and pilot projects at selected systems to develop arsenic reduction strategies and tools. On-site visits will also be conducted at small systems to collect and analyze samples for Phase II and Phase V contaminants such as asbestos, dioxin, and others under the Monitoring Waiver Program. Finally, training modules developed for noncommunity public water systems will be updated and training sessions held in areas of need throughout the state.

The second contract provides technical assistance by developing new training modules for community public water systems serving less than 10,000. This will include one set of training modules to address priority issues for operators, with a second set to focus on small system managers and financial officials. Once developed, these modules will be pilot tested and training sessions will be conducted throughout the state. They will then be available for local health departments and other agencies to use for ongoing training.

The DEQ utilizes .75 Full Time Employees (FTEs) funded through this set-aside to administer an on-line data management system (Wellogic) for active and abandoned wells to assist with development and maintenance of the system and to provide training to system users.

The DEQ will also use technical assistance set-aside funds to the extent funds are available, to pay for project planning costs for disadvantaged communities with less than 10,000 people who apply for DWRf assistance. Finally, funds will be used to provide direct financial planning assistance to certain small community water systems with deficiencies found in a sanitary survey.

### **Program Set-Asides - \$2,125,000**

The DEQ intends to continue three programs in FY2007 using three program set-asides and add a program set-aside to supplement the Public Water System Supervision Program. The additional required matching funds will be provided through the Public Water System Supervision Program from state General Fund and Restricted Fund (Fee) revenue plus the perpetual match from the FY1993 Public Water System Supervision matching money. The following is a breakdown of the \$2,125,000 projected amount:

**Capacity Development** - State staff, augmented by contracts for services with local public health departments (LHD), is being used to implement the program based upon EPA guidance and our policies for new systems. The 1998 amendments to the Michigan Safe Drinking Water Act, 1976 PA 399, as amended, (Act 399), provided authorization to conduct the program. The amendments allow the DEQ to apply capacity assessment criteria to new community and nontransient noncommunity public water supplies, DWRf applicants and existing systems selected under a state strategy. The DEQ developed guidance using stakeholders for public participation.

For FY2005, LHDs were reimbursed \$2,400 for 16 new nontransient noncommunity water systems, although another 41 of these systems were added to the inventory for which the LHD did not submit an invoice. Fifteen new community systems were also approved in FY2005. These systems submitted financial information to be reviewed before approval to commence operation was granted. The DEQ allocates \$10,000 per year for the cost of assessing the financial capacity of these new community systems. For FY2006 and FY2007, similar numbers of new community and nontransient noncommunity systems are expected.

In FY2006, the DEQ also increased education and outreach efforts by cosponsoring a newsletter delivered two times a year to all community public water systems. The newsletter promotes better operation and maintenance practices and provides regulatory guidance. DEQ will continue to cosponsor the newsletter in FY2007.

The total project amount to be expended is \$450,000 (all federal funds).

**Source Water Protection** – The total project amount for this activity is \$675,000 (all federal funds). It is split between several activities, the well abandonment

program, the state groundwater database, the source water protection program, and the on-site wastewater program.

For the well abandonment program, the DEQ utilizes .5 FTEs to administer and conduct a statewide, comprehensive Abandoned Well Management (AWM) Program. There are four components to the AWM program: data management, state cost share grants, public education, and enforcement.

Beginning in FY2002 and continuing through FY2006, the DEQ is administering 65 state matching grants encumbering \$3.2 million in Clean Michigan Initiative (CMI) bond funds for communities to locate and plug abandoned wells identified inside their wellhead protection areas. The first round of AWM grant projects (36 projects) were completed in September 2005. The second round of AWM grant projects (11 projects) was authorized in FY2004 and is currently underway. A third round of AWM grants (18 projects) encumbering an additional \$1.1 million in CMI funds were authorized in FY2005. Contracts for the third round grant projects were signed in June 2005, with anticipated completion scheduled for September 2007.

A statewide abandoned well public education and enforcement program is conducted by the DEQ utilizing 43 LHDs basic services contracts. The DEQ provides training, technical support to the LHDs involving abandoned well plugging requirements, direct enforcement assistance, and provides public education materials for distribution.

The DEQ proposes to utilize .5 FTEs funded through this set-aside in FY2007 to continue the Source Water Protection Program serving 70 communities that use surface water as their drinking water source. The funding will allow DEQ to facilitate the development of surface water related source water protection activities in these communities.

Beginning in FY2006, the DEQ will utilize this set-aside to provide bridge funding for the on-site wastewater program. This program provides assistance to LHDs for installation of on-site wastewater systems. This funding will be necessary until the state adopts a statewide sanitary code that will include fees that will support the on-site program. The funding will support 4 FTEs plus funds for LHD training.

The DEQ utilizes the balance of this set-aside to fund special pilot projects associated with abandoned well management and to fund data management support services provided by the Michigan Department of Information Technology.

**Operator Certification** - The ESSD continues to administer the program through expansion and improvement of the existing waterworks operator certification program. The EPA approved the operator certification program in July 2001. Based upon the activities required for continued program approval, the DEQ has estimated the costs to expand/revise the program. Operator training is also included with this program.

The majority of the estimated annual cost of the program, \$400,000, is for permanent staff (5 FTEs). Four staff work exclusively on drinking water training and certification program issues. The fifth FTE is a Michigan Department of

Information Technology computer programmer, assigned full-time to the Operator Training and Certification Unit (OTCU) and working exclusively on the OTCU database tracking system. The tracking system includes data management equipment and support services for recordkeeping and compliance tracking. The remaining funds (\$100,000) will be used for other program priorities that include meeting certification examination requirements and exam question validation activities for noncommunity operators and community systems. The total project amount for these program elements is \$500,000 (all federal funds).

**Public Water System Supervision** – The Water Bureau is experiencing increasing costs to support existing staff in the drinking water program, resulting from decreasing federal grants and no new state general fund support. Work responsibilities are increasing with promulgation of new drinking water regulations, such as the new drinking water regulation for arsenic, new regulations for control of disinfection by-products, and new regulations to monitor and assure inactivation of pathogens.

The DEQ proposes to withhold \$500,000 (all federal funds) in FY2007 to support existing staff and the existing scope of program. No additional staff is proposed. This will allow the DEQ additional program management flexibility to address priority work efforts, including the highest priority activities associated with the new drinking water regulations.

#### **Wellhead Protection (Section 1452(k)) - \$1,000,000**

The DEQ has authorization under the Act 399, amendments of 1998, to implement a wellhead protection matching grant program to enhance the existing voluntary state program. The DEQ hired two staff in FY1998 to initiate the program. Administrative rules were adopted using a stakeholder process.

Approximately 2.5 FTEs and support staff will cost approximately \$250,000 of the available funding. This includes partial funding for a position administering CMI bond money for plugging wells in wellhead protection areas. Contracts for wellhead protection outreach, education and training, as well as Wellogic enhancements and database management, will total approximately \$350,000. The remaining dollars, approximately \$600,000, will be used for wellhead protection grants. The grant funds are matched 100 percent by public water supplies. Thus, 50 percent of costs will be funded by the grant, while the local supplier provides 50 percent from its own resources. The program emphasis is scientific delineation of wellhead protection areas, obtaining state approval for complete wellhead protection programs, and implementation activities.

Fiscal Year	Number of Communities	Grant Dollars Awarded
1999	54	\$1,014,044
2000	62	\$1,080,390
2001	66	\$1,044,266
2002	85	\$1,286,589
2003	84	\$1,260,180
2004	67	\$ 857,772
2005	57	\$ 848,143
2006	50	\$ 682,029

The money will be used for educational materials and training, program staff, and wellhead protection grants. The total project amount to be used is \$1 million (all federal funds). In addition, approximately \$200,000 from previous year's set-aside money will be utilized during FY2007 for program activities and contracts.

#### **IX. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS - PROJECT LOANS**

Michigan's DWRF will commit loans for qualified projects based on project plans that were submitted to the RLOCS by May 1, 2006. Plans were reviewed by staff of the DEQ to ensure compliance with Section 5405 of Act 451, before being placed on the PPL for FY2007. The DWRF must, to the maximum extent practicable, give priority to projects that:

- Address the most serious risks to human health.
- Are necessary to ensure compliance with the requirements of the federal SDWA.
- And assist systems most in need according to the state's affordability requirements.

Michigan's priority system takes these factors into account in the assignment of priority points. Acute violations receive a larger number of points than any other category. In fact, standard compliance offers over 41 percent of a project's total possible points. All factors point to the need for the project to comply with federal drinking water requirements, affordability is addressed by the award of additional points for disadvantaged community status, and is the ultimate tiebreaker. Michigan's priority point system is detailed in Section 5406 of Act 451.

The FY2007 DWRF final PPL is included as part of the IUP. The DWRF final PPL has 42 projects totaling \$188 million. This includes ten projects and/or segments equaling \$112 million that will be considered for funding in the future.

Section 1452(a)(2) of the federal SDWA requires the state to first make available 15 percent of all funds annually credited to the DWRF for financial assistance to water suppliers serving fewer than 10,000 persons. For FY2007, Michigan must reach or exceed \$5,200,725 to satisfy this requirement.

All projects are reviewed and scored based upon the priority point system outlined in Part 54 of Act 451. Funds are made available for commitment based on the priority ranking and projects will only be funded out of order to satisfy requirements for small community assistance.

Employing the criteria found in Section 5415 of Act 451, the Director of the DEQ established the interest rate for FY2007 at 2.125 percent. The term of the loan will run up to 20 years for most projects. Those suppliers meeting disadvantaged community criteria will, however, be able to extend their terms for up to 30 years, if they desire.

Part 54 of Act 451 also permits suppliers serving less than 10,000 persons to receive reimbursement of project planning costs upon delivery of an approvable project plan to the DEQ. Legislation has been passed to provide a funding mechanism for this reimbursement. Interim planning loans first became an option for DWRF applicants in FY2001.

## **X. DISADVANTAGED COMMUNITY STATUS**

Disadvantaged community status is determined by the DEQ based on information submitted with a supplier's project plan. To qualify, an applicant must first meet the definition of "municipality" found in Part 54 of Act 451. Next, the updated median annual household income (MAHI) of the area to be served must be less than 120 percent of the state's updated MAHI. Finally, the costs of the project must be borne by the customers in the service area. If costs are spread over a larger area, then that area must demonstrate that it meets the poverty or affordability criteria.

Once these conditions are met, a community will be awarded the disadvantaged community status if one of the following is true:

- More than 50 percent of the area to be served by the proposed project is identified as a poverty area by the U.S. Census Bureau.
- The updated MAHI of the area to be served is less than the most recently published federal poverty guidelines for a family of four in the contiguous United States.
- The updated MAHI is less than the updated statewide MAHI and the annual user costs for water supply exceed 1.5 percent of the service area's MAHI.
- The updated MAHI is more than the updated statewide MAHI and the annual user costs for water supply exceed 3 percent of the service area's MAHI.

The major benefits for qualified communities include 50 additional priority points, extension of loan terms to 30 years, and assistance to help defray the costs of preparing project plans. In FY2007, there are no projects that qualify for disadvantaged community status on the final PPL.

A complete discussion of the disadvantaged community status may be found in a guidance document prepared by the DEQ to more fully explain how a supplier can achieve the status and benefit from it. RLOCS staff encourages all applicants to supply the pertinent data to perform a disadvantaged community status analysis.

## **XI. EPA AUTOMATED CLEARINGHOUSE ACTIVITIES**

The EPA employs an Automated Standard Application for Payments (ASAP) system to make disbursements of federal funds to the DWRP. Michigan will comply with this system and deposit funds drawn from it into appropriate accounts set up for the DWRP.

Beginning third quarter in FY2007, Michigan anticipates drawing capitalization grant funds from the ASAP system.

One request for disbursement may be submitted by the local project's authorized representative (or state agencies) each month. As project costs (or program administrative/set-aside costs) are incurred, the request for disbursement of funds will be sent directly to the DEQ, who will then process the request as part of a weekly draw request. Upon delivery to its office, the Authority will execute the fund drawdown electronically by transferring money from the federal ASAP and state accounts.

Moneys will be automatically deposited into the debt service reserve account of the DWRP, while funds are electronically wired to a municipal water supplier's bank from a DWRP account. For non-municipal water suppliers, the funds will be transferred from direct federal and state capitalization amounts established specifically for the purpose of reimbursing their eligible project costs.

## **XII. ASSURANCES**

The final guidelines from the EPA set forth provisions that the state must provide certain assurances in order to qualify for capitalization grant funding. Such assurances are incorporated into the Operating Agreement and are included here by reference.

## **XIII. OUTPUT/OUTCOME MEASURES**

To comply with the EPA requirements on Environmental Benefits of the DWRP, Michigan estimates that the following outputs will result from project loans in FY2006 (excluding any projects noted as future on the PPL):

- A. Output: Michigan will fund approximately 24 drinking water transmission/distribution loans in FY2007 to construct/rehabilitate/upgrade drinking water transmission and distribution systems across the state. The total dollar amount of these loans will be approximately \$33,629,256.

Outcome: The funding of these projects will result in more people getting higher quality drinking water from current and existing treatment systems in Michigan.

- B. Output: Michigan will fund approximately 15 drinking water treatment projects in FY2007 to construct and/or rehabilitate drinking water treatment facilities across the state. The total dollar amount of these loans will be approximately \$29,145,112.

Outcome: The funding of these projects will result in higher quality drinking water for thousands of people in Michigan and, upon completion of the projects, facilities that meet all applicable permits and SDWA requirements.

- C. Output: Michigan will fund approximately six drinking water storage projects in FY2007 to construct and/or rehabilitate drinking water storage facilities across the state. The total dollar amount of these loans will be approximately \$5,118,367.

Outcome: The funding of these projects will result in higher quality drinking water and storage facilities that meet all applicable permits and SDWA requirements.

- D. Output: Michigan will fund approximately seven drinking water source projects in FY2007 to construct and/or rehabilitate drinking water source facilities across the state. The total dollar amount of these loans will be approximately \$6,699,097.

Outcome: The funding of these projects will result in higher quality drinking water for thousands of people across Michigan.

Please note that the number of loans will not agree with the number on the PPL, as many of the project loans include work in more than one category (i.e. transmission/distribution, treatment, storage and source).

#### **XIV. PUBLIC REVIEW AND COMMENT**

In order to satisfy public participation requirements, the DEQ held a public hearing to discuss the DWRF draft IUP on August 23, 2006. The hearing was publicly noticed in the Detroit Legal News, the Lansing State Journal, and the Marquette Mining Journal; posted on the DEQ calendar of events; mailed to all persons and engineering firms on our newsletter mailing list, and individually noticed to each water supplier on the FY2007 draft PPL. These sources promote the hearing to ensure maximum public input from those interested in the DWRF. The hearing affords stakeholders and other interested parties an opportunity to hear and comment on how the DEQ plans to disburse the DWRF loan funds. All comments will be responded to upon the close of the hearing record. Questions about the DWRF final IUP may be directed to:

**Mr. Chip Heckathorn, Chief  
Revolving Loan and Operator Certification Section  
Environmental Science and Services Division  
Department of Environmental Quality  
P.O. Box 30457  
Lansing, MI 48909  
517-373-4725  
Fax: 517-335-0743**

#### **XV. ORIGINATION OF DOCUMENTS**

The Chief of the Environmental Science and Services Division, Department of Environmental Quality, is responsible for issuing the DWRF final IUP. The DWRF final IUP and its accompanying information are prepared by the RLOCS. It is a collaborative effort by the WB and ESSD/RLOCS staff to provide data for its development.



**Fiscal Year 2007 Project Priority List By Rank**

Rank	Project Number	Project Name and Description			Population	Point Total	Bind. Com Date	Bind. Com Amount
PROJECTS		WITH PRIOR YEAR SEGMENTS						
1	7183-02	Brooklyn	Jackson Co	Repl mains, looping, elev stor tank, meters (financial seg)	1,272	445	11/21/2006	\$375,000
PROJECTS		WITHOUT PRIOR YEAR SEGMENTS						
2	7208-01	Mason	Ingham Co	WTP - Radium trt	7,363	805	8/30/2007	\$5,035,000
3	7202-01	Pentwater	Oceana Co	Arsenic trt; repl mains; strg tank painting	1,009	770	3/13/2007	\$1,280,000
4	7130-01	Adrian	Lenawee Co	New wells, imp wtp sed basins, repl mains	21,672	765	8/30/2007	\$7,000,000
5	7201-01	Fowler	Clinton Co	Arsenic trt; well imp; new trans main	1,136	695	6/5/2007	\$950,000
6	7214-01	Monroe Co	Exeter Twp	Water main ext	670	695	8/30/2007	\$4,510,000
7	7200-01	Alpena	Alpena Co	Rehab WTP, repl mains	20,704	540	8/30/2007	\$3,320,000
8	7184-01	Bay City	Bay Co	WTP Upgrade (Phase 2)	94,450	525	8/30/2007	\$9,625,000
9	7199-01	Waterford Twp	Oakland Co	WTPs, Wells, Extnd Dist Mains, Looping	57,360	525	8/30/2007	\$7,700,000
10	7166-01	Bay City	Bay Co	Future Phases; WTP Upgrd	94,450	525	Future	\$14,000,000
11	7198-01	Millington	Tuscola Co	WTP - Arsenic trt	1,119	520	8/30/2007	\$800,000
12	7192-01	Almont	Lapeer Co	New elev tank, upgrd boost sta, repl mains	3,052	520	8/30/2007	\$2,200,000
13	7205-01	Barry Co	Yankee Springs Twp	WTP - Arsenic trt	546	520	3/13/2007	\$490,000
14	7191-01	Dryden	Lapeer Co	Arsenic Trt	630	520	6/5/2007	\$820,000
15	7195-01	Livingston Co	Green Oak Twp	WTP - Arsenic trt	492	510	6/5/2007	\$1,020,000
16	7197-01	Ubly	Huron Co	New well (arsenic), meters	886	495	3/13/2007	\$455,000
17	7206-01	Sturgis	St Joseph Co	Repl mains; looping	11,285	490	6/5/2007	\$1,235,000
18	7217-01	Ferndale	Oakland Co	Repl mains	22,108	465	Future	\$1,690,000
19	7216-01	Ferndale	Oakland Co	New booster sta; repl mains	22,108	465	8/30/2007	\$2,075,000
20	7209-01	Watersmeet Twp	Gogebic Co	New well and strg tank	500	435	3/13/2007	\$1,110,000
21	7215-01	YCUA	Washtenaw Co	Repl mains (city-Lowell St.)	74,232	425	3/13/2007	\$450,000
22	7173-01	YCUA	Washtenaw Co	Future phases (city/twp-thru FY2010)	74,232	425	Future	\$16,770,000
23	7222-01	YCUA	Washtenaw Co	Repl mains; looping (twp-Ecorse/Emerick/I-94)	74,232	425	Future	\$2,250,000
24	7174-01	YCUA	Washtenaw Co	Repl mains; looping (twp- Hewitt/Valley/Congress area)	74,232	425	3/13/2007	\$2,645,000
25	7175-01	YCUA	Washtenaw Co	Repl main; looping (twp-Rawsonville area)	74,232	425	3/13/2007	\$4,355,000
26	7194-01	Iron River Twp	Iron Co	New well; upgrd trans main; new generator	1,230	420	6/5/2007	\$950,000
27	7207-01	Allendale Twp	Ottawa Co	2nd supply connection; water main ext	16,645	415	6/5/2007	\$2,280,000
28	7177-01	Stockbridge	Ingham Co	Future phases; repl mains/looping	1,290	395	Future	\$1,585,000
29	7213-01	Summit Twp	Jackson Co	New elev strg tank	30,473	365	6/5/2007	\$2,235,000
30	7143-01	Mount Clemens	Macomb Co	Upgrd trt, repl mains, rehab stor tank, genrtr, switchgear	18,778	365	3/13/2007	\$3,555,000
31	7145-01	Jackson Co	Spring Arbor Twp	Loop mains	3,500	345	Future	\$3,100,000
32	7204-01	Escanaba	Delta Co	WTP filter backwash basin; strg tank imp	13,720	340	3/13/2007	\$2,950,000
33	7010-99	Sault Ste Marie	Chippewa Co	Future segs; repl mains (CSO areas)	14,689	340	Future	\$6,000,000
34	7203-01	West Bloomfield Twp	Oakland Co	Phase 1: PRVs, SCADA	56,000	325	3/13/2007	\$880,000
35	7218-01	West Bloomfield Twp	Oakland Co	Phase 2: Repl mains, looping, PRVs	56,000	325	Future	\$14,775,000
36	7135-01	East Jordan	Charlevoix Co	New iron removal facility; repl main	2,507	320	8/30/2007	\$665,000
37	7221-01	Port Huron	St. Clair Co	Repl mains - Woodstock Phase IV	32,338	315	3/13/2007	\$830,000
38	7220-01	Port Huron	St. Clair Co	Repl mains - Vanness area	32,338	315	3/13/2007	\$2,005,000
39	7182-01	Grand Haven	Ottawa Co	Future phases; repl mains	11,168	315	Future	\$5,360,000

<b>Rank</b>	<b>Project Number</b>	<b>Project Name and Description</b>			<b>Population</b>	<b>Point Total</b>	<b>Bind. Com Date</b>	<b>Bind. Com Amount</b>
40	7180-01	Fenton	Genesee Co	Repl mains, looping	11,907	315	8/30/2007	\$1,930,000
41	7131-01	Port Huron	St Clair Co	Future phases; repl mains; looping	32,338	315	Future	\$46,665,000
42	7212-01	Forsyth Twp	Marquette Co	Water main repl; 2nd supply connection	2,068	270	6/5/2007	\$400,000
<b>42</b>	<b>Projects</b>							<b>\$188,325,000</b>

Category Description	Points	7/010-99	7/130-01	7/131-01	7/135-01	7/143-01	7/145-01	7/166-01	7/173-01	7/174-01	7/175-01	7/177-01	7/180-01	7/182-01	7/183-02	7/184-01	7/191-01	7/192-01
<b>DRINKING WATER SYSTEM COMPLIANCE - TOTAL</b>	<b>450 (max)</b>	150	375	150	175	150	150	350	150	150	150	150	150	150	150	350	375	150
Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	250																	
Non-Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	200		■					■								■	■	
Facility Upgrade to Maintain Compliance	150	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Aesthetic Upgrades to Maintain Compliance	25		■		■												■	
<b>INFRASTRUCTURE IMPROVEMENTS/UPGRADES - TOTAL</b>	<b>350 (max)</b>	150	250	125	125	175	125	125	225	225	225	125	125	125	275	125	125	350
Source/Treatment w/ Connecting Mains	125 (max)	0	125	0	100	125	0	100	0	0	0	0	0	0	25	100	125	100
Meet Minimum Capacity	100		■		■	■											■	
Reliability	75					■		■								■	■	■
Other Upgrades	25		■					■							■	■		■
Enforcement Action	25					■											■	
Source Water Protection	50		■															
Transmission/Distribution Mains	125 (max)	125	125	125	25	25	125	0	100	100	100	125	125	125	125	0	0	125
Meet Minimum Capacity	100	■	■	■			■					■	■	■	■			■
Reliability	75	■	■	■			■		■	■	■	■	■		■			■
Other Upgrades	25	■		■	■	■			■	■	■	■	■	■	■			■
Enforcement Action	25																	
Storage Facilities/Pumping Stations	125 (max)	25	0	0	0	25	0	25	125	125	125	0	0	0	125	25	0	125
Meet Minimum Capacity	100								■	■	■				■			■
Reliability	75																	
Other Upgrades	25	■				■		■	■	■	■				■	■		■
Enforcement Action	25																	
<b>POPULATION - TOTAL</b>	<b>50 (max)</b>	40	40	40	20	40	30	50	50	50	50	20	40	40	20	50	20	20
0-500	10		■															
501-3,300	20			■	■		■					■			■		■	■
3,301-10,000	30	■					■											
10,001-50,000	40	■	■	■		■			■	■			■	■				
>50,000	50							■	■	■	■	■				■		
<b>DISADVANTAGED COMMUNITY - TOTAL</b>	<b>50 (max)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Granted	50																	
<b>CONSOLIDATION - TOTAL</b>	<b>100 (max)</b>	0	0	0	0	0	40	0	0	0	0	0	0	0	0	0	0	0
Achieve Compliance	100																	
Correct Deficiencies	60																	
Other	40						■											
<b>COMP. WELLHEAD/SOURCE WATER PROTECT PLANS - TOTAL</b>	<b>100 (max)</b>	0	100	0	0	0	0	0	0	0	0	100	0	0	0	0	0	0
Granted	100		■									■						
<b>TOTAL PRIORITY POINTS ASSIGNED</b>	<b>1000 (max)</b>	340	765	315	320	365	345	525	425	425	425	395	315	315	445	525	520	520

Category Description	Points	7/194-01	7/195-01	7/197-01	7/198-01	7/199-01	7/200-01	7/201-01	7/202-01	7/203-01	7/204-01	7/205-01	7/206-01	7/207-01	7/208-01	7/209-01	7/212-01	7/213-01
<b>DRINKING WATER SYSTEM COMPLIANCE - TOTAL</b>	<b>450 (max)</b>	150	375	350	375	175	150	375	375	150	150	375	150	150	450	150	150	150
Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	250																	
Non-Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	200		■	■	■			■	■			■			■			
Facility Upgrade to Maintain Compliance	150	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Aesthetic Upgrades to Maintain Compliance	25		■		■	■		■	■			■			■			
<b>INFRASTRUCTURE IMPROVEMENTS/UPGRADES - TOTAL</b>	<b>350 (max)</b>	250	125	125	125	200	250	200	275	125	150	125	200	225	225	275	100	175
Source/Treatment w/ Connecting Mains	125 (max)	125	125	125	125	125	125	125	125	0	125	125	75	100	125	100	0	0
Meet Minimum Capacity	100	■	■	■	■	■	■	■	■		■	■			■	■		
Reliability	75	■				■	■	■			■		■	■				
Other Upgrades	25	■		■		■	■		■		■	■		■	■			
Enforcement Action	25		■	■	■			■			■	■						
Source Water Protection	50																	
Transmission/Distribution Mains	125 (max)	125	0	0	0	75	125	75	125	125	0	0	125	125	100	75	100	75
Meet Minimum Capacity	100	■					■		■	■			■	■	■			
Reliability	75					■		■	■	■			■	■		■	■	■
Other Upgrades	25	■					■		■	■			■				■	
Enforcement Action	25												■					
Storage Facilities/Pumping Stations	125 (max)	0	0	0	0	0	0	0	25	0	25	0	0	0	0	100	0	100
Meet Minimum Capacity	100															■		■
Reliability	75																	
Other Upgrades	25								■		■							
Enforcement Action	25																	
<b>POPULATION - TOTAL</b>	<b>50 (max)</b>	20	10	20	20	50	40	20	20	50	40	20	40	40	30	10	20	40
0-500	10		■													■		
501-3,300	20	■		■	■			■	■			■					■	
3,301-10,000	30														■			
10,001-50,000	40						■				■		■	■				■
>50,000	50					■				■								
<b>DISADVANTAGED COMMUNITY - TOTAL</b>	<b>50 (max)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Granted	50																	
<b>CONSOLIDATION - TOTAL</b>	<b>100 (max)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Achieve Compliance	100																	
Correct Deficiencies	60																	
Other	40																	
<b>COMP. WELLHEAD/SOURCE WATER PROTECT PLANS - TOTAL</b>	<b>100 (max)</b>	0	0	0	0	100	100	100	100	0	0	0	100	0	100	0	0	0
Granted	100					■	■	■	■				■		■			
<b>TOTAL PRIORITY POINTS ASSIGNED</b>	<b>1000 (max)</b>	420	510	495	520	525	540	695	770	325	340	520	490	415	805	435	270	365

Category Description	Points	7214-01	7215-01	7216-01	7217-01	7218-01	7220-01	7221-01	7222-01									
<b>DRINKING WATER SYSTEM COMPLIANCE - TOTAL</b>	<b>450 (max)</b>	450	150	175	175	150	150	150	150									
Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	250	■																
Non-Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	200	■							■									
Facility Upgrade to Maintain Compliance	150		■	■	■	■	■	■										
Aesthetic Upgrades to Maintain Compliance	25			■	■													
<b>INFRASTRUCTURE IMPROVEMENTS/UPGRADES - TOTAL</b>	<b>350 (max)</b>	125	225	250	250	125	125	125	225									
Source/Treatment w/ Connecting Mains	125 (max)	0	0	125	0	0	125	125	100									
Meet Minimum Capacity	100			■			■	■										
Reliability	75			■			■	■	■									
Other Upgrades	25						■	■	■									
Enforcement Action	25																	
Source Water Protection	50																	
Transmission/Distribution Mains	125 (max)	125	100	125	125	125	0	0	0									
Meet Minimum Capacity	100	■		■	■	■												
Reliability	75	■	■	■	■	■												
Other Upgrades	25		■	■		■												
Enforcement Action	25																	
Storage Facilities/Pumping Stations	125 (max)	0	125	0	125	0	0	0	125									
Meet Minimum Capacity	100		■		■				■									
Reliability	75				■													
Other Upgrades	25		■		■				■									
Enforcement Action	25																	
<b>POPULATION - TOTAL</b>	<b>50 (max)</b>	20	50	40	40	50	40	40	50									
0-500	10																	
501-3,300	20	■																
3,301-10,000	30																	
10,001-50,000	40			■	■		■	■										
>50,000	50		■			■			■									
<b>DISADVANTAGED COMMUNITY - TOTAL</b>	<b>50 (max)</b>	0	0	0	0	0	0	0	0									
Granted	50																	
<b>CONSOLIDATION - TOTAL</b>	<b>100 (max)</b>	100	0	0	0	0	0	0	0									
Achieve Compliance	100	■																
Correct Deficiencies	60																	
Other	40																	
<b>COMP. WELLHEAD/SOURCE WATER PROTECT PLANS - TOTAL</b>	<b>100 (max)</b>	0	0	0	0	0	0	0	0									
Granted	100																	
<b>TOTAL PRIORITY POINTS ASSIGNED</b>	<b>1000 (max)</b>	695	425	465	465	325	315	315	425									

Michigan Drinking Water Revolving Fund  
Category Costs for FY2007 FINAL PPL

Project #	Trans/Distribution	Treatment	Storage	Source	Other	Sum
7130-01	\$1,518,000	\$1,017,059		\$4,464,941		\$7,000,000
7135-01	\$136,864	\$528,136				\$665,000
7143-01	\$420,000	\$2,428,000	\$707,000			\$3,555,000
7174-01	\$2,645,000					\$2,645,000
7175-01	\$4,355,000					\$4,355,000
7180-01	\$1,930,000					\$1,930,000
7183-02					\$375,000	\$375,000
7184-01	\$1,722,368	\$7,902,632				\$9,625,000
7191-01		\$683,333		\$136,667		\$820,000
7192-01	\$924,921		\$1,102,304	\$172,775		\$2,200,000
7194-01	\$646,000			\$304,000		\$950,000
7195-01		\$1,020,000				\$1,020,000
7197-01	\$32,822	\$10,297		\$128,713	\$283,168	\$455,000
7198-01		\$800,000				\$800,000
7199-01	\$340,968	\$6,267,442		\$1,091,590		\$7,700,000
7200-01	\$2,524,028	\$795,972				\$3,320,000
7201-01	\$80,336	\$869,664				\$950,000
7202-01	\$433,230	\$682,667	\$164,103			\$1,280,000
7203-01					\$880,000	\$880,000
7204-01		\$2,673,602	\$276,398			\$2,950,000
7205-01		\$490,000				\$490,000
7206-01	\$1,235,000					\$1,235,000
7207-01	\$2,280,000					\$2,280,000
7208-01	\$2,058,692	\$2,976,308				\$5,035,000
7209-01	\$76,027		\$633,562	\$400,411		\$1,110,000
7212-01	\$400,000					\$400,000
7213-01			\$2,235,000			\$2,235,000
7214-01	\$4,510,000					\$4,510,000
7215-01	\$450,000					\$450,000
7216-01	\$2,075,000					\$2,075,000
7220-01	\$2,005,000					\$2,005,000
7221-01	\$830,000					\$830,000
Totals	\$33,629,256	\$29,145,112	\$5,118,367	\$6,699,097	\$1,538,168	\$76,130,000

# of projects	24	15	6	7	3
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24	7174-01	YCUA	Washtenaw Co	Repl mains; looping (twp- Hewitt/Valley/Congress area)	74,232	425	3/13/2007	\$2,645,000
25	7175-01	YCUA	Washtenaw Co	Repl main; looping (twp-Rawsonville area)	74,232	425	3/13/2007	\$4,355,000
26	7194-01	Iron River Twp	Iron Co	New well; upgrd trans main; new generator	1,230	420	6/5/2007	\$950,000
27	7207-01	Allendale Twp	Ottawa Co	2nd supply connection; water main ext	16,645	415	6/5/2007	\$2,280,000
28	7177-01	Stockbridge	Ingham Co	Future phases; repl mains/looping	1,290	395	Future	\$1,585,000
29	7213-01	Summit Twp	Jackson Co	New elev strg tank	30,473	365	6/5/2007	\$2,235,000
30	7143-01	Mount Clemens	Macomb Co	Upgrd trt, repl mains, rehab stor tank, genrtr, switchgear	18,778	365	3/13/2007	\$3,555,000
31	7145-01	Jackson Co	Spring Arbor Twp	Loop mains	3,500	345	Future	\$3,100,000
32	7204-01	Escanaba	Delta Co	WTP filter backwash basin; strg tank imp	13,720	340	3/13/2007	\$2,950,000
33	7010-99	Sault Ste Marie	Chippewa Co	Future segs; repl mains (CSO areas)	14,689	340	Future	\$6,000,000
34	7203-01	West Bloomfield Twp	Oakland Co	Phase 1: PRVs, SCADA	56,000	325	3/13/2007	\$880,000
35	7218-01	West Bloomfield Twp	Oakland Co	Phase 2: Repl mains, looping, PRVs	56,000	325	Future	\$14,775,000
36	7135-01	East Jordan	Charlevoix Co	New iron removal facility; repl main	2,507	320	8/30/2007	\$665,000
37	7221-01	Port Huron	St. Clair Co	Repl mains - Woodstock Phase IV	32,338	315	3/13/2007	\$830,000
38	7220-01	Port Huron	St. Clair Co	Repl mains - Vanness area	32,338	315	3/13/2007	\$2,005,000
39	7182-01	Grand Haven	Ottawa Co	Future phases; repl mains	11,168	315	Future	\$5,360,000

Rank	Project Number	Project Name and Description			Population	Point Total	Bind. Com Date	Bind. Com Amount
40	7180-01	Fenton	Genesee Co	Repl mains, looping	11,907	315	8/30/2007	\$1,930,000
41	7131-01	Port Huron	St Clair Co	Future phases; repl mains; looping	32,338	315	Future	\$46,665,000
42	7212-01	Forsyth Twp	Marquette Co	Water main repl; 2nd supply connection	2,068	270	6/5/2007	\$400,000
42	Projects							\$188,325,000